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SUBJECT: GRENADA WEEKLY ACTIVITY REPORT JULY 27 - AUGUST 2, 2008

¶1. (U) Embassy Grenada's weekly report (GWAR) provides a little detail about events of interest that do not merit longer reporting at this time.

¶2. (U) Begin GWAR text:

a. ECSRC Issues Cease & Desist Order to SGL

The Eastern Caribbean Securities Regulatory Commission (ECSRC) last week issued a cease and desist order to SGL Holdings Inc after determining that the company was operating in violation of Grenada's Securities Act No 23 of 2001. The ECSRC also advised the public to refrain from investing with or through persons who are not licensed to conduct securities business under the act.

Local estimates of potential losses by investors in SGL range from several hundred thousand U.S. dollars to over a million. There has been no official review of the company's books to date so the estimates could be way off.

b. New Commissioner of Police

Retired career Royal Grenada Police Force (RGPF) police officer, James Clarkson, was appointed Commissioner of Police (COP) to replace outgoing COP Winston James. Clarkson retired in 2005 at the rank of Deputy Commissioner of Police. He served in the Royal Grenada Police Force (RGPF) from 1970 to 2005 in various capacities, as well as working in several ministries for brief periods.

c. Government Promises No New External Commercial Debt

The newly installed government announced that it will not incur any new external commercial debt nor issue any new government guarantees. Grenada's debt to GDP ratio is over 100% and whichever party won the July 8 election was going to have to focus on belt tightening measures.

The high debt reflects rebuilding of schools, clinics, roads, and public buildings after Hurricanes Ivan (2004) and Emily (2005) devastated the country, as well as preparations in advance of the 2007 Cricket World Cup.

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